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BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 96-018-C - ORDER NO. 96-545
AUGUST 9, 1996

IN RE: Generic Proceeding to Address Local) ORDER
Competition in the Telecommunications) IMPLEMENTING
Industry in South Carolina.) REQUIREMENTS

This matter comes before the Public Service Commission of South Carolina (the Commission) for consideration of various provisions of South Carolina House Bill 4694, which is the South Carolina Act relating to telecommunications.

The first matter to be considered is S. C. Code Ann. §58-9-280(C). Under this Section, the General Assembly has stated that the Commission shall determine the requirements applicable to all local telephone service providers necessary to implement the subsection. The statute lists five requirements, and states that these shall be consistent with applicable Federal law. These are as follows:

1. Interconnection
2. Number Portability
3. Unbundling of Network Elements
4. Resale of Service in Small Local Exchange Carriers' (LECs') Areas
5. Policy concerning Universal Service

The Commission has considered the implementation requirement of the General Assembly, and holds that it will implement requirements contained in 1 through 4 by concurring with the

Federal Telecommunications Act of 1996. As to the fifth requirement concerning Universal Service, we hold that this matter will be implemented following the Commission hearing on the subject set for October 28, 1996.

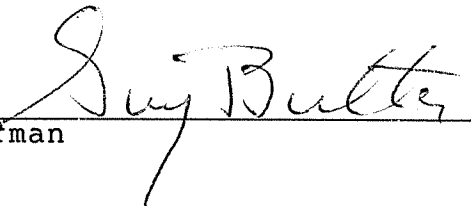
The second statute to consider is S. C. Code Ann. §58-9-280(L) and (M), having to do with the Interim LEC Fund. We hold that all incumbent LECs in South Carolina, other than BellSouth Telecommunications, Inc. (BellSouth) may elect to participate in the Interim LEC Fund. The Interim LEC Fund's focus is reducing intrastate access charges. The fund is created to reimburse, to the extent needed, the participating LECs for revenue shortfalls due to access reductions. This fund is to be administered by the Commission, and shall be in place by December 31, 1996.

We hold that participating LECs must set their toll-switched access rates comparable to the toll-switched access rates of the largest LEC operating within South Carolina. The South Carolina Act allows for two methods of access revenue recovery: 1) increases in other rates not to exceed statewide average rates, and 2) recovery from those entities receiving access reductions. Eligible LECs shall notify the Commission on or before September 15, 1996 as to their intentions to participate in the Interim LEC Fund. Those LECs choosing to participate in the Interim LEC Fund are hereby required to provide the Commission on or before October 1, 1996 with the financial information pertaining to the lost access revenues subject to being recovered, and the method of recovery

being utilized as per the Act. In addition, should the Staff require further information associated with the implementation of this Plan, participating LECs are required to provide such information as deemed necessary by the Staff. It should be noted that meetings may be held between Staff and the various parties concerning the implementation of this fund.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:


Chairman

ATTEST:


Executive Director

(SEAL)